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C O N F I D E N T I A L SECTION 01 OF 03 BRUSSELS 005593

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TAGS: PREL EAID PTER AF PK IN CE NP XD EUN USEU BRUSSELS SUBJECT: A/S ROCCA CONSULTATIONS ON SOUTH ASIA WITH EU COMMISSION

Classified By: USEU Poloff Van Reidhead for reasons 1.5 (b) and (d)

Summary

11. (C) On December 8 in Brussels, SA A/S Christina Rocca met with EU counterparts at the European Commission to discuss ongoing developments in South Asia (participants listed para 11).

--On Afghanistan, interlocutors said at this time they could identify only euros 20 million in available Commission and EU member state funds to assist the 2004 elections. The U.S. and EU should consider holding a donors' coordination meeting on the margins of the ADF early in 2004

--The EU is encouraged by recent steps toward normalizing India-Pakistan relations. Interlocutors agreed the next best step would be a Musharraf-Vajpayee meeting, and that it would be important to encourage a positive outcome of the SAARC meetings.

--The EU denied the existence of a split between U.S. and EU positions on Nepal, and promised to correct the problem that caused the Commission's Kathmandu delegation to release a statement on human rights without consulting the U.S.

--On Sri Lanka, the EU stated that time is running out for Colombo to get its house in order so that peace talks can resume.

Afghanistan: Ramping Up for Elections

 $\underline{\P}2$. (C) A/S Rocca opened the meeting with an assessment of continuing international efforts to enhance security and accelerate reconstruction and development in Afghanistan. She delivered a strong message that the donor community was coming up short on its commitment to fund the June 2004 elections. Donors need to demonstrate their commitment to Afghan democracy, she said, by finding a way to adequately fund the 2004 elections. The U.S. has committed USD 15 million to the election process, but UNAMA's estimated funding requirements for registration and polling would be around USD 78 million and USD 40 million, respectively. European Commission (EC) interlocutors, led by Deputy Director General for External Relations Herve Jouanjean, said that the EU put the figures needed for elections at euros 70 million for registration and euros 20 million for polling. In either case, they said, a straw poll of EC and member state pledges shows only euros 20 million available for elections. The cost would go up if there were ultimately two rounds of elections. EC staff suggested that one idea might be to use funds in the ARTF recurrent budget -- although EC Asia Director Fokion Fotiadis urged caution and said that such a maneuver should be considered only as a last resort.

13. (C) Jouanjean and EC External Relations Cabinet member Barbara Brandtner recommended that it might be a good idea to hold a donors' coordination meeting on the margins of the ADF early in 2004 (note: this was first discussed with the Secretary during his November 18 meeting with the EU Troika

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in Brussels). Donors could use the opportunity to coordinate pre-election support and discuss ways to bring forward multi-year reconstruction pledges. Fotiadis noted that the World Bank would be releasing its needs assessment around the same time. We should be careful, he said, to ensure that any coordination meeting does not coincide with the report's release, because the report is sure to highlight the inadequate level of overall international support for Afghan reconstruction.

14. (C) A/S Rocca described how the USG envisions spending the USD 50 million authorized by Congress for FY 2004 counternarcotics programs in Afghanistan. Rocca's interlocutors said the EU, which has become increasingly alarmed at the rapid increase in Afghan poppy production, was

very grateful for Congress' decision to provide such a sum.

- 15. (C) On PRT deployments, A/S Rocca conveyed U.S. plans for fielding new PRTs in the southeast concurrent with Karzai taking steps to improve central authority in that region. At the same time, the U.S. will step up its cooperation with Pakistan to clamp down on cross-border Taliban incursions in the region. A/S Rocca encouraged the EU and member states to continue their support for PRTs. The EC staffers agreed that increasing security and central authority in the southeast was a critical next step for Afghanistan. EU member states were continuing to evaluate possible PRT contributions, and the EC regularly tells NGOs that they should do a better job working with, not against, PRTs. They noted that the EC would be briefing CARE on December 9 to explain the need for greater NGO-PRT coordination.
- 16. (C) The EC reiterated Commissioner Patten's November 18 statement to the Secretary that the EC prefers presidential and parliamentary elections to be held simultaneously, as envisioned in the Bonn process. This would give more credibility to the outcome. A/S Rocca agreed that it was preferable to adhere as much as possible to the Bonn timetable but that the Constitution might provide some breathing space with respect to the parliamentary elections.

India-Pakistan: Encouraging the Thaw

- 17. (C) Jouanjean said that the EU's November 29 summit with India had been very productive (joint EU-India communique available at http://europa.eu.int/comm/
 external relations/india/intro/index.htm). The EU sensed a new Indian optimism and confidence in the future. The EU is worried, however, that India is not paying enough attention to the economic and developmental inequities that will increase between Indian states as India continues its developmental ascension. Reflecting the new confidence, Jouanjean said the Indians were more moderate than ever about Pakistan. There was no "Pak-bashing" as in the past, he said. The Indians, including PM Vajpayee, were "softer and more open" than before. (Note: The EU will hold a Ministerial with Pakistan the first week of February 2004.)
- 18. (C) A/S Rocca said the U.S. and EU should keep pushing for progress on normalizing India-Pakistan relations. We should keep up the pressure and provide positive reinforcement for the positive steps being taken. Jouanjean said the EC agreed, and would do what it could to support a Vajpayee-Musharraf meeting on the margins of the regional summit in Islamabad next month. A/S Rocca stressed that it would be important to get both sides to prepare carefully for the SAARC summit and any possible bilateral meeting so that the outcome is positive and will lead to continuing thaw between the two countries.

Nepal: Singing from the Same Sheet

19. (C) A/S Rocca conveyed growing U.S. concern over the apparently irreconcilable differences between the King and the political parties. Nepal was at risk of heading the way of failed states; in order to prevent that, it would be necessary for the U.S., EU, India and other involved parties to coordinate very closely on preventing further deterioration. Rocca expressed concern that the EU was drifting from the U.S. position on Nepal, and cited the recent EU statement on human rights that was released without prior U.S. consultations. It would be extremely dangerous for the Maoists and other spoilers to see any daylight between U.S. and EU positions. The EC interlocutors reacted with surprise, and denied the emergence of a gap between U.S. and EU positions. Jouanjean apologized for the oversight of its delegation in Katmandu, which released the statement.
The EC was unaware that the delegation had not consulted with the U.S. Embassy. Jouanjean promised to backtrack the error with the EC delegation and the German Ambassador, who represents the EU Presidency's interests in Kathmandu, to ensure it doesn't happen again. Interlocutors agreed with Rocca that it was important that the Maoists not see any exploitable daylight between US and EU positions. Rocca agreed that we should consider a suggestion made by Fotiadis that engaged parties convene an international conference to stress a united message on Nepal.

Sri Lanka: No Time to Lose

110. (C) A/S Rocca stressed that the LTTE must not be treated as co-equal with the GOSL. The one is a designated terrorist group while the other is a legitimate, if divided, government. Rocca's interlocutors listened politely, but avoided a discussion that would force them to defend Commissioner Patten's recent visit to the LTTE's northern

headquarters to meet with LTTE commander Probakharan. Rocca and the EC agreed that for the peace process to be successful, the President and PM would need to move fast to resolve their stalemate.

Participants

¶11. (U) U.S. Participants: A/S Christina Rocca

USEU Development Counselor Patricia Lerner USEU Poloff Van Reidhead (notetaker)

EU Participants: EC External Relations Deputy Director General Herve Jouanjean

EC External Relations Cabinet Member Barbara Brandtner

EC External Relations Asia Director Fokion Fotiades

EC External Relations Asia Head of Unit Julian Wilson EC External Relations Asia Head of Unit Laurence

Argimon-Pangratis

- 112. (U) Kabul minimize considered.
- 113. (U) A/S Rocca has cleared this message.

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